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ARTICLES:

(1) Political world likely to become unstable after general election

ASAHI (Page 4) (Slightly abridged)
December 14, 2007

Politicians have begun to take maneuvers in anticipation of changes in the political scene after the next general election. If the Democratic Party of Japan (DPJ) wins the next election under the current situation in which the opposition camp controls the House of Councillors, the LDP will be thrown into chaos. Such politicians think that the political world will surely become unstable. In the Liberal Democratic Party, moves are emerging to form new groups. Such efforts might develop into a move to form a suprapartisan group.

New alliance in LDP

In a political funds-raising party held by Yamazaki faction chairman Taku Yamasaki at a Tokyo hotel on Dec. 11, Nobuteru Ishihara was introduced as its new member. Ishihara said in the meeting: "I remained unaffiliated with any party, but in order to translate policies on national affairs and security into practice, it is necessary to raise our voices in chorus."

After belonging to the former Mitsuzuka faction, Ishihara became independent without faction affiliation, as his father, Shintaro Ishihara, did. Later, he joined the former Kato faction, but he left the faction later, set off by a series of political acts (by Koichi Kato and Yamasaki to topple the Mori administration in November 2000). Under the Koizumi administration, which encouraged politicians to be free from factional maneuvering, Ishihara served as administrative reform minister and land, infrastructure &

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transport minister. Under the Abe administration, he was also appointed to head the Policy Research Council.

Some observers see his new membership in the Yamasaki faction as a move taken in anticipation that the political world is likely to become unstable. The chairman of another faction coolly said: "A person who was on the side of destroying factions has now joined one. This must mean that doing so will be to both side's mutual advantage."

If the ruling bloc loses its current two-thirds majority in the next general election, moves will certainly be afoot to reorganize the political world. The above-mentioned chairman made this analysis: "Both sides' speculations coincided, that is, Yamasaki wants to strengthen his political ground by drawing in a promising mid-ranking lawmaker, while Ishihara wants to solidify his footing before facing hardships."

Deputy Policy Research Council Chairman Hiroyuki Sonoda, who joined the former New Party Sakigake (Pioneer) after leaving the former Mitsuzuka faction but now belongs to the Tanigaki, also said on Dec. 8 in Amakusa City, Kumamoto Prefecture - his electoral district: "We must make efforts to stabilize the political system, including the Upper House. Many in the LDP and the DPJ are thinking about the need. The political community will inevitably be reorganized after the next general election."

The inauguration of the Fukuda administration has accelerated such moves. On Dec. 5, Koga faction deputy chairman Seiichi Ota told Tanigaki faction members at a Japanese restaurant in Akasaka: "Some suggest merging the two factions early next year, before a storm blows up."

The former Miyazawa faction was disbanded and split into the Koga, Tanigaki, and Aso factions. Ota proposed a plan to bring together the Koga and Tanigaki factions - two of the three factions - again. Both factions remained unable to draw up a roadmap for the merger plan, but the establishment of the Fukuda administration prompted them to decide to put this idea on the table again.

"I hope (the two factions) will join hands and set forth the policy

of placing importance on Asia diplomacy. Under this slogan, I want to put liberal forces together," a Koga faction member with cabinet experience said. This lawmaker has frequently met DPJ lawmakers recently.

The former Miyazawa faction?together with the former Takeshita faction, had once been called "conservative mainstream," but it gradually moved away from the post of mainstream and was finally marginalized by the Abe administration, which advocated the slogan of freeing Japan from the postwar Japan.

Discussion on human-rights legislation was resumed on Dec. 3 for the first time in two years and six months. This theme was scotched by the Abe administration. But since Makoto Koga and Toshihiro Nikai, supportive of the legislation, assumed two of the four party officers' posts under the Fukuda government, the yoke was thrown off. Some New Komeito members also have begun to express hopes that a bill to provide foreign residents with local suffrage will be submitted to the Diet.

A senior LDP member indicated that changes are occurring in the

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course of things, saying: "I think the human-rights legislation will be forced through the Diet. Mr. Abe, who expressed opposition, is no longer in power."

On Dec. 4, Shoichi Nakagawa, who had stepped down the center stage when former Prime Minister Abe stepped down, also started up a study group calling itself "new conservatism," bringing together 30 lawmakers who supported Taro Aso in the LDP presidential election in September.

The main player was Takeo Hiranuma, who assumed the post of supreme advisor in the group. He has not been affiliated with any party since leaving the LDP after opposing the postal privatization bill. He has openly declared that he would establish a "new party Hiranuma." In the meeting on Dec. 4, he stated: "It is desirable to establish a sound conservative camp. I am determined to do my best in cooperation with all of you to that end."

In the DPJ, as well, Okayama prefectural branch head Keisuke Tsumura indicated in a press conference on Dec. 12 that the party would give up fielding its candidate in the Okayama No. 3 constituency, the electoral district of Hiranuma, in the next Lower House election. Tsumura said: "Mr. Hiranuma has set forth a plan to establish a new

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party. We had better give consideration to his intention to topple the LDP."

Unless the DPJ runs its candidate, an LDP-endorse candidate and Hiranuma will square off in the Okayama 3rd constituency.

(2) Ruling parties adopt tax code revision outlines: Tax system is next target of battle between ruling and opposition camps: All policies are intended to win election, says LDP; Postponement of tax hike only temporary measure

ASAHI (Page 2) (Almost full)
December 14, 2007

The ruling parties yesterday compiled guidelines for tax code revisions for fiscal 2008. The package has a strong nature of being tentative with the next general election taken into consideration, following their crushing defeat in the July Upper House election. This is because though the ruling parties want to hold talks with the opposition camp to discuss the pending issue of hiking the consumption tax, they are not certain whether the DPJ will accept the proposal or not. The Democratic Party of Japan (DPJ or Minshuto), which controls the Upper House, has adopted a strategy of pressing for a dissolution of the Lower House in exchange for responding to a call for deliberations on budget-related bills, including a bill on tax code revisions. The battle between the two camps in the Diet, where the opposition camp holds a majority in the Upper House, will continue into the regular Diet session, where

deliberations will focus on tax-related public finance.

Commenting on the guidelines not mentioning a hike in the consumption tax, Liberal Democratic Party (LDP) Tax System Research Committee Chairman Yuji Tsushima explained at a press conference yesterday, "Given the present political situation, it is necessary for the ruling and opposition parties to have a heart-to-heart talk with focus on gaining public understanding on the issue." He thus indicated his view that it would be meaningless unless discussions on a tax hike are held, joined both by the ruling and opposition camps, because the opposition camp has a majority in the Upper

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House.

The ruling parties in the guidelines issued at the end of last year pledged to address drastic reform of the tax system, including the consumption tax. The Fukuda administration wanted to proceed with discussions on a tax hike with the pledged hike in the government share in the basic part of the public pension system close at hand in fiscal 2009. It also wanted to make the issue one of contention with the DPJ, which has not yet revealed fiscal resources to finance their policies.

However, Tsushima halted the move. During a meeting of senior officials of the LDP tax panel on Oct. 25, he made this comment: "I would like to do my best with the courage to firmly constrain what we should not do." The party leadership, including Secretary General Bunmei Ibuki, who hates to see a tax hike affect the next election, checked a rising trend for tax hike discussions, noting, "All policies must be for the sake of our victory in the next election."

With tax hike discussions put on the back burner, the tax code revision guidelines this time have inevitably become temporary. LDP tax panel chairman Kaoru Yosano asked Tokyo governor Shintaro Ishihara to transfer about 300 billion yen from its revenues from two local corporate taxes. Ishihara on Dec. 7 at the Tokyo Metropolitan City Hall pressed Yosano, asking, "I would like the prime minister to pledge that this is a temporary measure."

Meeting with Ishihara, Prime Minister Fukuda pledged to set up a consultative organ for the government to assist the Tokyo metropolitan government's projects, such as the consolidation of social infrastructure. He also pledged that the tax code revision this time would be tentative. Ishihara then agreed to comply with Fukuda's request.

New Komeito Policy Research Council Chairman Tetsuo Saito and LDP Policy Research Chairman Sadakazu Tanigaki exchanged views on fiscal resources to finance the basic part of the public pension system on the evening of Dec. 12.

Saito: "There is buried treasure around, isn't there? We can use that."

Tanigaki: "Pension financing will not become stringent so soon. We want to use the money to reduce the issuance of government bonds."

The New Komeito pledged during the Upper House election campaign to allocate revenues squeezed by abolishing fixed-rate tax cuts. It secured 117 billion yen last year this way. It was unable to do so this time. However, it secured additional funds close to 20 billion yen, based on a temporary budget with 135.6 billion yen transferred from the special account, or so-called buried money.

A certain senior New Komeito official noted in relief, "We would not be able to fight the next election if we had gained nothing in the tax revision guidelines." However, one senior LDP official said sarcastically, "It is like expenditures having been padded just to live up to the pledge New Komeito made to its supporters."

DPJ aims at Diet resolution with double tactics combining budget and pension: Confrontation on provisional tax rate, to begin with

A meeting to discuss special road-construction revenues took place at the DPJ head office at noon on Dec. 13. President Ozawa clarified his stance of totally confronting the ruling parties in the budget battle centered on taxes in front of Tax System Research Committee Chairman Hirohisa Fujii, Deputy President Naoto Kan and Secretary General Yukio Hatoyama. He said, "The government is controlling local governments using projects under its direct jurisdiction. Such projects should be done away with." Participants confirmed their view that special road funds should be used for other purposes.

Focus is the temporary national auto tax rate. The gasoline tax expires on March 31. The ruling parties have included in the guidelines an extension of the tax by another 10 year. The DPJ will come up with a counterproposal for scrapping it.

There are no regulations on automatic passage of budget-related bills. The DPJ is planning a strategy of introducing a tax code revision bill that is diametrically opposed to the government plan to the regular Diet session and pressing for a Lower House election, by voting down the government-sponsored budget-related bills in the Upper House.

The ruling camp is bullish in its determination to accept the opposition camp's challenge. If the provisional rate of the gasoline tax becomes zero as a result of its budget-related bills failing to secure Diet approval by the end of March, revenue shortfalls topping 1 trillion yen would occur. As such, it sees that it would be able to obtain public support even if it passes those bills by putting them to a vote again in the Lower House, because those bills are directly related to people's livelihood. A certain senior official of the LDP's Diet Policy Committee emphatically said, "We will do it straight and urge the DPJ to make a decision."

However, there is no promising development in sight.

The government has thus far unified various special exemption measures, including the provisional tax rate, into one and submitted it as a bill amending the special tax measures law in February. However, it would be impossible to obtain Diet approval for such an amendment bill by the end of March, even if the 60-day rule were applied. The 60-day rule allows approval of the bill again in the Lower House, based on the assumption that the Upper House has voted down the bill, if it does not put it to a vote. For this reason, the LDP has considered the possibility of frontloading the introduction of the bill at the outset of the regular Diet session, by removing confrontational part from it.

However, such an idea has become unrealistic, as the current extraordinary Diet session has been extended into the next year. In addition, there is the possibility of the DPJ taking control with Diet deliberations continuing into the next year. If the extended extraordinary Diet session ends while the Defense Ministry issue and the pension record fiasco still being pursued, the regular Diet session would open in a stormy atmosphere. How the public will respond to the ruling parties putting budget-related bills to a vote again in the Lower House, following the refueling operation bill, is unclear.

A certain senior DPJ member explained their strategy: "The pension issue is an immediate problem for people. We will drag it on until next March at least. If the ruling parties put budget-related bills to a vote again in the Lower House, we would adopt a censure motion

against the prime minister with double tactics combining the budget issue and the pension premium payment record errors and force him to dissolve the Diet."

For this reason, voices calling for exploring ways to reach a compromise, accepting the DPJ proposal, are beginning to be heard in the party. LDP Policy Research Council Chairman Tanigaki told reporters yesterday: "The DPJ is as powerful as to control one House. This situation does not permit us to oppose its proposal at

ease. I think the DPJ feel responsibility for people's livelihood. We must have talks with it on various issues."

LDP Secretary General Bunmei Ibuki during a meeting of secretaries general of the ruling and opposition parties proposed setting up a national council to discuss the pension issue. This could be a strategic move for exploring ways to make a compromise. However, DPJ Secretary General Hatoyama brushed aside the proposal, noting, "We

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should thoroughly discuss such an issue in the Diet. It is not necessary to set up such a council outside the Diet."

(3) Shaken Japan Business Federation (Part 2-conclusion): JBF's policy requests have been rejected

ASAHI (Page 12) (Full)
December 12, 2007

Japan Business Federation (JBF or Nippon Keidanren) officials in charge of tax affairs have recently visited lawmakers of the main opposition Democratic Party of Japan (DPJ or Minshuto) to ask them for cooperation on an extension of special taxation measures. One Keidanren official told a DPJ legislator: "You don't have to approve, but we would like you to cooperate with us by the end of March."

The special taxation measures were set up in order for the government to support specific policies. Under the special measures, corporate taxes are reduced. However since they are applied to certain companies that meet certain conditions, they are criticized as "hidden subsidies." The DPJ, therefore, has launched an investigation of the special measures.

The DPJ's Tax Research Council has been examining carefully 137 measures, including an extension of the existing measures and establishment of new measures, which are drafted by various ministries and agencies. The DPJ, however, has not yet approved of 40 PERCENT of them because the agencies have not presented to the party the contents of them for it to make its judgment. One senior Keidanren official said: "The tax system has now become a political issue, going beyond our control."

The tax system is a major matter of concern for Keidanren. In September the organization announced a set of proposals for a revision of the tax system for fiscal 2008. It presented a broad array of requests, centering on increasing the consumption tax rate and reducing the effective corporate-tax rate.

However, the government of Prime Minister Shinzo Abe, which had decided to start in the fall discussion of drastic reform of the tax system, suddenly bowed out. Since the gap in views on the handling of the consumption tax and the tax revenues for road projects was clear between the DPJ and ruling Liberal Democratic Party (LDP), the mood of pushing ahead with drastic tax system reform is gradually

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weakening.

Following the change in mood, Keidanren has narrowed down its requests for a reform of the tax system for FY2008 to such measures as the reforming of the tax to promote research and development, which could be accepted by the DPJ, according to a senior Keidanren official. Although Keidanren, as the lobbying body for the business world, considers an extension of the special taxation measures as its minimal request, the feasibility of an extension remains unclear.

Keidanren officials calling for political realignment

A request for a tax system reform is not the only matter that Keidanren has reached a roadblock, without getting political cooperation.

Keidanren aimed to introduce a white-collar worker exemption, which would exclude company employees who meet certain qualifications,

including annual income, from labor time regulations. It planned to do so last fiscal year, when it had close ties with the Abe government. However, the idea came under fire from labor unions and opposition parties. Since it was prior to the unified local elections when Keidanren introduced the idea, a negative view about the idea spread in the ruling parties. As a result, the ruling coalition gave up on the submission of a bill amending the law.

The Government Tax Commission's set of recommendations last year included Keidanren's request to cut by 10 PERCENT the corporate tax effective rate, but it was not incorporated in the LDP's tax system reform outline.

A former business leader, who was concerned about growing criticism of Keidanren, suggested Chairman Fujio Mitarai: "It is difficult to get public understanding. You should give more consideration to the procedure."

Mitsuo Ohashi, who is in charge of tax affairs and politics in Keidanren and chairman of Showa Denko, said: "It is important to build public consensus." Buoyed by public support, Keidanren would like to realize its policy requests.

But the organization has withdrawn for the time being the introduction of the white-collar exemption, which has come under strong fire. It excluded also the requests to raise the consumption tax and reduce the corporate tax from its items that it wants to realize in a revision of the tax system for FY2008.

This fall, Keidanren distributed 2,000 copies of a six-page brochure at symposiums and other occasions. In the brochure, the business organization explained Japan's severe fiscal condition and called for the need for changing the tax system to a consumption tax-centered tax system, as well as for reforming the corporate tax system.

However, the effect of its strategy of finding a means of surviving by public support is unclear. Keidanren has become more frustrated day by day due to the stalled political situation.

Asked about Keidanren's request for Diet management at a press conference on Dec. 11, Mitarai indicated a sense of crisis: "Due to the divided Diet, deliberations on policy bills are delayed and more

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time has been lost than expected." In its priority policy items for 2008 released the same day, Keidanren reinserted a request that the political parties should proceed with constructive discussions in order to carry out reform quickly.

However, the LDP and DPJ have assumed a stance of facing down each other. The divided Diet, in which the LDP is the largest party in the House of Representative and the DPJ is the largest force in the House of Councillors, will likely continue six to nine years from now. There is a view among senior and executive Keidanren members that there is no other choice but political realignment.

(4) MSDF lieutenant commander arrested over Aegis info leak; Secret explosively spread; U.S. mistrust amplified due to sloppy data management

SANKEI (Page 21) (Abridged slightly)
December 14, 2007

The pivotal Aegis data leak incident has exposed the Maritime Self-Defense Force's sloppy secret information management. Special defense secrets provided by the U.S. military, such as data on the Aegis system, were supposed to be managed strictly, allowing only authorized and necessary individuals to have access to them, according to a senior investigative officer. The incident in which the top secret under the Japan-U.S. security system was easily passed on from one MSDF member to another has amplified the sense of distrust of U.S. authorities.

A senior police officer took this view about the MSDF's nature: "The fact that a file containing the top defense secret, music, and

obscene pictures were all kept in the same compact disc astonished us. What was more surprising was that many did not remember when and where they obtained such data and how they kept them."

It was also unexpected for the Kanagawa prefectural police that searched the home of an MSDF petty officer second class, the origin of the incident, to discover such secrets in the confiscated items.

The operation of the missile defense system being deployed in Japan and the United States against missiles from North Korea and other countries requires high-level intelligence sharing. As seen in their plan to conclude a General Security of Information Agreement (GSOMIA) in August, the governments of Japan and the United States have been expediting efforts to increase preparedness for making the ground-based missile defense system fully operational in the near future. The data leak incident that occurred under such circumstances has tremendously increased the United States' sense of mistrust of Japan.

The Defense Ministry was forced to offer an explanation. In April, then Defense Minister Fumio Kyuma visited the United States for the Japan-U.S. defense summit. During the session, Kyuma offered an apology to his U.S. counterpart, Robert Gates, for worrying the United States, promising to uncover the whole picture. The incident that has escalated into the arrest of a senior MSDF officer points to investigative authorities' intention to dispel U.S. authorities' mistrust by urging the MSDF to increase its awareness as a force responsible for national defense.

Investigators quizzed several hundred MSDF personnel and searched a total of four times the MSDF's First Service School in Etajima,

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Hiroshima Prefecture, from which the data spread, destroyers, and the homes of MSDF officers. As a result, investigative authorities found that the data had been copied countless times and spread explosively.

Defense Minister Shigeru Ishiba before the House of Councillors Foreign Affairs and Defense Committee yesterday admitted that risk management was lax, saying, "Awareness for computer disc management was low, and follow-up measures were too late."

Having generally found out an overall picture of the incident, police authorities decided earlier this month to arrest and indict the MSDF officer in question. Shortly before a decision was made on the arrest, the U.S. side notified Japan that it would not allow investigative authorities to produce the pivotal Aegis data at an open court.

In the end, the U.S. side reportedly agreed to allow the presentation of the data after blacking out some parts for information security reasons. This illustrates how much the U.S. side cares about Aegis data, exposing once again the graveness of the information leak incident.

(5) Echoes to Okamoto's essay: Get the supply ship back in the Indian Ocean

SANKEI (Page 13) (Abridged)
December 11, 2007

The Sankei Shimbun's Nov. 28 edition carried an essay from Yukio Okamoto, who was a special advisor to Prime Minister Ryutaro Hashimoto and who is now an international affairs consultant. Okamoto's essay received a big response. There were letters from many readers to the editor, so the Sankei Shimbun introduces one of those letters. Furthermore, there were reverberations from readers, with one of them desiring many people to read the essay.

Essay shows a way for Japan to live in the world

Junichi Ozawa, 70, self-employed, Odawara, Kanagawa Prefecture

I also read Mr. Yukio Okamoto's essay. I thought many readers would send letters to the editor to express their impressions of his

essay, so I was looking forward to seeing the letters-to-the editor column. However, there were not so many opinions in the column. I don't know if it was out of the publisher's consideration. But I wonder if it's really all right to leave Japan as is. As a reader, I am very worried.

Mr. Okamoto has close insight into the international situation. In a sense, he pulled off a coup with his writing of this essay. I have no deep insight into the international situation. However, when I think of how Japan will live in the world, I really think Mr. Okamoto is right.

There are probably many tasks for Prime Minister Fukuda and his cabinet. However, I think the prime minister should now go on a kind of pilgrimage throughout the country with this Okamoto essay to earnestly implore the nation for how to resolve the current situation. If the prime minister cannot go on such a tour, he can use television. Otherwise, he can use the newspapers.

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Japan is at a crossroads. We should thoroughly discuss what Japan should do. Will Japan remain a friend of the international community? Will Japan drop out? Will Japan otherwise become a country smiling meaninglessly only when asking for help? This is a matter of concern about Japan's way of life.

Gist of Okamoto's essay: Japan disappears from the showdown with terrorism

Afghanistan is for civilizations to struggle for self-defense against terrorism: The Democratic Party of Japan (Minshuto) defines the international community's efforts to stabilize Afghanistan at its current government's request as a "U.S. war for its own defense." No countries are saying such a thing. Al Qaeda, which brought about the Sept. 11, 2001 terrorist attacks, is trying to destroy the entire civilizations of advanced countries. I feel something is wrong with those who call the United States' battle in Iraq a "showdown with terrorism." However, what the international community is doing in Afghanistan is a showdown with terrorism. This is the international community's understanding. That is why all advanced countries are working together to stabilize Afghanistan. There are about 40 countries at work.

Pullout not understandable: The naval forces of more than 10 countries have been standing in the way of terrorists in the Indian Ocean. The Maritime Self-Defense Force continued refueling their vessels there for six years, and the MSDF's refueling mission was highly appreciated. The opposition parties asserted that the MSDF's refueling mission there is linked to the use of armed force, and they dragged Japan away from the international team. However, each country's naval vessels are on patrol there. What they are doing there is not a battle. Furthermore, the opposition parties insisted that the MSDF should pull out because there is no United Nations Security Council resolution. The UNSC adopts resolutions only when its two veto-holding UNSC members, China and Russia, agree. Are they saying Japan should not do anything without China's approval?

China 40 times Japan: Japan has given up its joint responsibility for the defense of freedom. Meanwhile, Japan called for a permanent seat on the UNSC. This is also comic. In the House of Representatives, the ruling coalition holds a majority of the seats. In the House of Councillors, however, the opposition bench outnumbers the ruling coalition to vote down legislative measures. This situation will continue over the next six years. Meanwhile, the world will undergo a sea change. For example, China will have new leaders with sensitivity and voice to the world. Japan currently assigns 47 persons to U.N. peacekeeping operations. China has 40 times more on PKO assignments. China's navy may deploy in the Indian Ocean for the international community.

Refueling is 'ultra-safe': Overseas operations can be typed into four categories according to the degree of danger. Operation Enduring Freedom (OEF), which is intended to mop up Al Qaeda and Taliban, falls under the most dangerous category. Japan should not participate in OEF. The International Security Assistance Force

(ISAF), a ground-based team for the purpose of maintaining public security, is under the second most dangerous category. ISAF is a target of terrorists. The third category includes participating in a risky provincial reconstruction team (PRT). PRT is made up of government employees and civilians for economic reconstruction and humanitarian assistance, with troops escorting and guarding them. The safest category includes cracking down on suspicious ships at

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sea. Japan has created an 'ultra-safe' framework outside these four categories. Japan's role is not small. However, this is safer than any other missions. The MSDF can engage in this operation with its equipment, technical know-how, and enthusiasm. The DPJ forced Japan to give up this mission. What does the DPJ want Japan to do instead?

Ozawa initiative: Mr. Ichiro Ozawa announced that Japan should stop refueling at sea and participate in the ISAF. He insists that Japan should join in even more dangerous activities. This assertion is fine in itself, and we should go for it. He said, "We can't keep saying that we will only take care of humanitarian assistance to be loved by everybody, and that you guys go ahead with security maintenance that is dangerous." That's a good point. Some people in the Liberal Democratic Party opposed Mr. Ozawa's advocacy, just because that's his own. The LDP also thinks more of the political situation than Japan's national interests.

PRT participation, Counselor Oku's tragedy: Mr. Ozawa withdrew his advocacy of ISAF participation, and the DPJ proposed local public support through PRT participation. However, there is a fundamental misunderstanding. In the case of ordinary public support for local people, experts from JICA (Japan International Cooperation Agency) and those from NGOs are already in action. In the case of PRT, a civilian team is escorted and guarded by military troops, border guards, or special police to work directly for stabilization. Is it really possible? Japan is not prepared to protect Japanese nationals overseas. This is not a matter of the Self-Defense Forces' members. Japan is a thoroughly equitable society, so no one in this country thinks that Japanese people (SDF members) should be exposed to danger as a shield for other Japanese people (embassy staff). One may say, "We will send experts, but other countries should ensure their security." That's even more shameful.

Broad view: The United States came up with an enormous quantity of materials for Japan to continue the MSDF's refueling mission in the Indian Ocean. In the Diet, however, the opposition parties were against that from the beginning, and they just intended to hold up the government. Japan highhandedly pursued even how one liter of oil was used. Other countries are fed up with Japan. They want to say Japan should risk working together with them on the ground.

Gulf mistake: There was a similar thing at the time of the Gulf War. It was not the Diet but the Japanese government that angered (U.S. forces). Japan entirely turned its back on international operations against Hussein's aggression, and only attached importance to Diet deliberations. That is the same as this time. The Diet went back again into those days and lost sight of the general situation. The Diet was caught in fault-finding arguments from beginning to end without giving thought to the enormous sacrifices of other countries.

Terrorism must be prevented from spreading: The Moriya issue is extremely serious, but that is a different problem. The Diet should enact the legislation into law. First of all, Japan should get the supply ship back in the Indian Ocean. The United Nations also wants Japan to resume the MSDF's refueling activities. How about shifting the MSDF's activities to the Strait of Malacca in the Indian Ocean? Many people would support efforts to prevent the spread of terrorism from the Middle East to Pakistan and Asia. The MSDF would be tasked with warning and surveillance activities as well as providing information about that sea area. This does not fall under the

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category of collective self-defense and contributes to Asia's peace.

No countries would raise an objection.

Japan at a crossroads: Civilized society is made up of countries helping each other. Will Japan remain a friend, or will Japan otherwise drop out? It is time to hold thoroughgoing discussions. If the MSDF refueling bill gets low support from the public even after it is voted down in the House of Councillors, the government should then give straightforward explanations to the general public about the impact of Japan's nonparticipation, instead of revoting on the bill in the House of Representatives. The people would support the course of action Japan should take as a civilized nation if they understand the whole picture. With a rise of public support, the government should present a new legislative measure to the Diet at its ordinary session early next year in order to create a permanent law that can meet every case. The Special Measures Law is a time-limited law that is valid for a period of one year. The government should now appeal to the people. Japan can be helped by its people, not by politicians.

(6) Sympathy budget: Are Japanese employees working at U.S. bases sacrificial stones?

ASAHI (Page 18) (Abridged slightly)
December 14, 2007

By Kenji Watanabe, member of the All Japan Garrison Forces Labor Union Central Committee

Some 25,000 Japanese people are working at the U.S. bases in Japan. The government has decided to reduce the salaries of the Japanese workers. As a result, our employer, the Ministry of Defense (MOD), has presented the All Japan Garrison Forces Labor Union (Zenchuro) with a plan to cut the Japanese labor costs by a total of 10 billion yen. In talks on the Japan-U.S. Special Measures Agreement scheduled to expire at the end of next March, the government proposed cuts in USFJ utility costs, but the talks were deadlocked due to stiff resistance from the U.S. side. Given the situation, the government has turned to slashing the labor costs of the Japanese workers that will not increase the burden on the United States.

A law stipulates that the defense ministry determines the salaries and the condition of employment of the Japanese people working at U.S. bases in view of those of national civil servants and private-sector employees. The salaries of base workers are revised annually at the same rate as the National Personnel Authority's annual recommendations with the concurrence of the U.S. military. Playing a role in national defense, Japanese employees' work at the U.S. bases under the U.S.-Japan Security Treaty is of a high public nature. This can explain why the status of the base workers is similar to that of the national civil servants.

Abolishing "differential pay" is one of the key elements in the government's plan. "Differential pay" denotes a 10 PERCENT wage added to base pay. The system dates back to 1947 when a 10 PERCENT wage was added to the level of wages of the national public servants in consideration of unique differences in language, culture, and custom under the occupation forces.

When the current pay scale was completed in 1963, the U.S. military reduced base pay by 8 PERCENT in lieu of maintaining differential pay. The salaries of all Japanese base workers were annually subject

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to the U.S. military's wage reductions until the Japanese government decided in 1978 to cover their labor expenses with the "sympathy budget."

At present, the base pay of Japanese employees working at the U.S. bases is lower than that of national civil servants. Even if differential pay is counted in, our average monthly salary is 80 PERCENT of that of the national civil servants. Because differential pay is different from base pay, it is not included in calculating bonuses, and therefore greater differences in annual wages. The abolition of differential pay would reduce the base worker's average monthly salary to 73 PERCENT of the civil servants. The government's explanation to abolish differential pay

to correct the impression of base workers' salaries being too high is groundless and unsubstantial.

Work environments surrounding base workers are very bad. Because the U.S. military does not agree, many Japanese laws, including the Labor Standards Law, do not apply to Japanese people working at the U.S. bases, where no one can enter without U.S. military authorization under the Japan-U.S. Status of Forces Agreement. Since 9/11, U.S. bases have become targets of terrorism, and tensions run high at times. Job security has always been poor.

Zenchuro has presented a set of counterproposals willing to respond to calls for partial cuts in salaries and allowances and seeking improved overall working conditions pursuant to those of the national servants. There has been no specific reply from MOD.

The government maintains that the base workers' salaries must be cut in order also to win public understanding of its plan to infuse approximately 320 billion yen of taxpayer money into Guam as part of U.S. force realignment. Are the Japanese base employees who are working between Japan and the United States and contributing to Japan's security sacrificial stones?

(7) Five Japanese companies, including Nippon Oil Corp., to construct refinery in Libya: Joint project negotiations underway; Project cost estimated to come to 500 billion yen

NIKKEI (Top Play) (Excerpts)
December 14, 2007

The Nikkei learned yesterday that a consortium of five Japanese companies, including Nippon Oil Corporation, Inpex Holdings and Japan Petroleum Exploration (JAPEX), is moving ahead with talks with Libya for the construction of a refinery. The planned refinery is estimated to have 200,000 barrel-a-day-class refining capability. The estimated cost of the project is 500 billion yen. Sanctions against Libya were lifted in 2003. The nation is now making efforts to return to the international community. Nippon Oil Corp. and other companies are aiming at securing vested interest in large-size resources in Libya, which has the largest crude oil reserves in Africa, by consolidating a system allowing the combined management of oil drilling and a refinery.

Securing vested interests in oil fields as well aimed at

The project, if realized, will become the first case in which Japan takes the initiative in the construction of a refinery abroad. Viewing the project as leading to the diversification of crude oil suppliers, the government intends to assist it with public loans

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with the securing of vested interest in oil fields as well as a premise. The consortium is expected to cover a large part of the project expenses, estimated to reach between 400-500 billion yen, with loans by the Japan Bank for International Cooperation.

Those three companies, JGC Corporation and Nippon Yusen Kaisha are now looking into the possibility of setting up a joint project company with Libya's state-owned oil company. A project site up for consideration is a coastal area in the suburb of Tripoli, the capital. The plan is to build a state-of-the-art refinery equipped with facilities capable of producing more gasoline, by breaking down heavy oil with low value produced in the process of refining crude oil.

SCHIEFFER